



COVID-19 Economic Recovery Plan



Shire of Chittering

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Contents

4	Introduction
6	COVID-19 Economic Data
9	Objectives from Think Tank Input
10	Targeted Actions



Introduction

The serious health effects of the COVID-19 pandemic and its ease of contagion led to severe restrictions on movement and social distancing measures being put in place world-wide. Though intended to reduce the risk of infection, their impact has been disastrous in economies around the world due to restrictions and consumer sentiment. Along with all of WA, these soon began to have a direct impact on the economy of Chittering.

In response to the emerging situation, a number of activities were undertaken by the Shire in response to the COVID-19 impacts to assist businesses with enforced changes and to encourage business continuity. For example, an Economic Response web-page was created that included up-to-date information on the assistance available to businesses, whilst updating local consumers with the business changes in the region to try and maintain their accessibility.

Further, the Chief Executive Officer assembled a working group including the Economic Development Coordinator and representation from Council to oversee economic recovery. Subsequently, an Economic Recovery Subcommittee was formed with personnel from a range of industries in Chittering, in order to provide input into an Economic Recovery Plan.

A 'Think Tank' meeting was scheduled with these personnel, to assist in understanding the economic situation and the best ways for the Shire to support economic recovery to Chittering.

Meanwhile, both local and national economic data was collected by the Economic Development Coordinator and collated with regional economic data to provide an overview of the local economic situation.

Additionally, to provide further data, a survey targeting all Chittering businesses was drafted and responded to by 69 businesses from the region. This provided accurate local information that was coupled with the data from broader areas to provide an insight into the economic situation for the Economic Recovery Subcommittee to analyse.

This document includes a summary table of the findings of the survey of Chittering businesses along with some external data from ABS (p. 3); interpretation of key points from the survey (pp. 4-5); economic recovery objectives that arose from the Think Tank's deliberations (p. 6); and actions arising from the objectives, including timing and financial estimates (p. 7 onwards).

Anticipated Future Impacts

To be able to facilitate rapid recovery it was necessary that the Economic Recovery Committee met in May, and prepare this plan in June in time for 2020/2021 Budget deliberations. However, economic effects from the coronavirus pandemic are ongoing, and may continue to change over months and years following.

Economists from the Grattan Institute have warned that when stimulus packages like the Federal Government's JobKeeper program expire in September that there may be a significant decrease in economic activity, leading to further economic hardship.

Further, some industries may face a delay in feeling the economic effects of COVID-19. For example, the Australian Bureau of Statistics has indicated that in the Construction industry there may be a lag

between any change of demand, the number of building applications and subsequent impacts on new work given the time taken to approve and commence building construction work. The effects of this may not be felt until mid-to-late 2020 and beyond.

Shire of Chittering's budget for the financial year 2020/2021 should be prepared with this knowledge in mind, given that there may be more hardship to follow throughout this period.



COVID-19 Data – March to May 2020

A snapshot of Chittering's economy overlaid with recent survey data and ABS information.

Chittering's Economy and COVID-19 Impacts

Industry sector	ABS: Output 2018 \$ (2018 ABS)	ABS: Number of Jobs in Chittering (2016 ABS)	ABS: Number of businesses in Chittering by industry (2018 ABS)	Chittering Survey: Businesses not trading due to COVID-19 in early May 2020	Chittering Survey: % of industry employees Lost* in early May 2020	Chittering Survey: No of employees Gained * in early May 2020	Chittering Survey: No of Responses from each Industry	WA Businesses: % of businesses experiencing more than 50% reduction in demand (CCIWA Mid- April Survey)	Australia: Businesses Currently Operating After COVID- 19 Restrictions (Early April ABS)	People living in Chittering and their industry of work (place of work not just in Chittering) (2017 ABS)	Australia: Change in jobs between 14 March and 18 April 2020 (COVID-19) (May 2020 ABS)	Estimated applied newly unemployed persons in Chittering through this period (In-house calculation)
Agriculture, Forestry & Fishing	\$133,541,013	326	181	1	3%	1%	11	40%	No Data	252	-9.5%	24
Mining	\$104,814,816	94	3				0	18%	85%	342	-2.9%	10
Construction	\$103,529,954	197	120		4%		8	24%	94%	234	-6.4%	15
Financial & Insurance Services	\$97,823,291	114	28				2	21%	96%	73	-1.0%	1
Rental, Hiring & Real Estate Services	\$54,418,803	6	29				0	43%	93%	76	-11.0%	8
Manufacturing	\$44,775,450	74	29				5	27%	92%	234	-4.1%	10
Wholesale Trade	\$20,539,472	45	12				3	14%	85%	178	-4.4%	8
Transport, Postal & Warehousing	\$20,316,398	79	40			1%	2	38%	96%	152	-3.0%	5
Public Administration & Safety	\$15,570,790	64	-				0	No Data	No Data	270	-5.1%	14
Education & Training	\$15,018,807	102	3				3	61%	88%	253	-2.0%	5
Professional, Scientific & Technical Services	\$14,636,190	47	26				2	42%	96%	203	-5.6%	11
Retail Trade	\$10,036,768	76	28	1		3%	8	33%	76%	290	-6.8%	20
Administrative & Support Services	\$9,530,427	33	15				1	No Data	96%	282	-10.0%	28
Accommodation & Food Services	\$9,015,614	48	7	9	81%		13	88%	69%	145	-33.4%	48
Other Services	\$6,442,916	38	27				4	No Data	88%	122	-12.0%	15
Information Media & Telecommunications	\$4,129,151	3	3				1	64%	65%	22	-6.5%	1
Health Care & Social Assistance	\$3,497,614	24	3	1			3	27%	93%	215	-2.9%	6
Arts & Recreation Services	\$3,212,546	16	3	3	38%		3	No Data	47%	37	-27.0%	10
Electricity, Gas, Water & Waste Services	\$1,522,462	4	-				1	50%	96%	35	-0.2%	0
TOTALS	\$672,372,482	1390	559				69			4276		239 or 5.6% increase in unemployment in Chittering

* From respondent data only, there could be more.

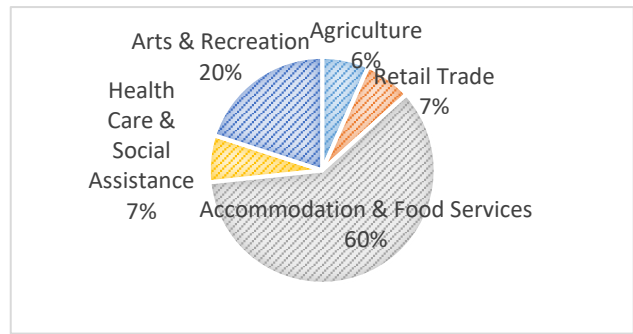
Chittering: Number of Businesses - As at 30 June 2018 (ABS)

Number of non-employing businesses (no.)	381
Number of employing businesses: 1-4 employees (no.)	137
Number of employing businesses: 5-19 employees (no.)	29
Number of employing businesses: 20 or more employees (no.)	8
Total number of businesses (no.)	559

Chittering’s Industry Pre-COVID-19

Chittering’s economy is made up of 20 different categories according to the ABS.

- Agriculture, Mining, Construction and Financial/Insurance Services (largely consisting of a range of businesses operating under trust funds), make up the largest 4 industries by output in Chittering.
- Chittering’s economy creates \$672.4 million in revenue each year
- Agriculture and Construction are the biggest employers
- Chittering’s economy supports 1390 jobs



Chittering’s Population

The latest ABS statistics estimate that Chittering had a population of 5,742 in 2018, and over the 5 years previous, had an average year-on-year population growth rate of 2.4%.

The average age in Chittering is 44 (‘Generation X’ers’), with ‘Young Parents’ (23.5%) and ‘Mid-Life Households’ (29.8%) the two biggest segments (Roy Morgan).

Chittering has 7.1% (2,162) of total employed people in the Wheatbelt (of 42 Wheatbelt Shires, the 2nd highest number of employed people behind Northam). Chittering’s working people can mostly be found with jobs in Mining (10%), Public Administration (8%), Retail Trade (8%) and Administrative and Support Services (8%).

Four percent of jobs in Chittering can be directly contributed to tourism, though tourism financially contributes to industries that supply 58% of Chittering’s Jobs (REMPLAN).

The average household income in Chittering is estimated to be \$100,490 p.a., below the national average of \$116,000. (ABS)

Economic Impacts of COVID-19

In later April/early May, the Shire of Chittering surveyed local businesses and received 69 responses. Questions covered;

- If they were still trading, and if not, was the halt in business due to COVID-19
- What has happened to trading of the business
- If, over the period, businesses have had to make changes to their workforce, and of what nature
- Quantity of staff lost
- The largest impacts on the business due to COVID-19
- How they have responded to the crisis
- What their greatest concerns are

The data can be found in the accompanying Excel spreadsheet, but a summary is provided below;

Businesses Trading

Of the businesses surveyed, 22% were not trading due to COVID-19. Counts of businesses not trading come from the following;

- Most were situated in Bindoon with 9 businesses closed, whilst 4 were from Lower Chittering, 2 from Chittering and 1 from Muchea.
- 43 jobs are attributed to these businesses (though some did not supply employee figures).
- One additional response in the Agriculture industry revealed that they had closed, but it was not related to COVID-19.
- Government restrictions played the biggest part in closures.

Workforce Changes

- 36% of businesses have made changes to their workforce. Of these:
 - 58% Temporarily reduced their workforce
 - 17% Placed staff on unpaid leave
 - 17% Temporarily increased staff hours
 - 13% Forced redundancies
 - 13% Placed staff on paid leave
- Of the 69 businesses surveyed, 60 jobs have been lost and 7 gained, which equates to -19%, and +2% change in employment from the pool of respondents, respectively.
- Estimated unemployed due to COVID-19 by industry from Survey respondents (not exhaustive - there could be more);

INDUSTRY	Jobs Lost (Survey)	Total Jobs (ABS)	Inferred % Industry Jobs Lost
Accommodation & Food Services	-39	48	-81%
Agriculture	-9	326	-3%
Construction	-7	197	-4%
Arts & Recreation Services	-6	16	-38%
Retail Trade	1	76	1%
Health Care Services	1	24	4%

Impacts on Businesses

Of businesses that were surveyed, the following impacts were experienced;

- 67% A reduction in turnover/cash flow
- 42% A reduction in demand for products/services
- 41% Government restrictions on operations
- 27% Difficulty in sourcing stock or raw materials
- 14% Increase in demand for products or services
- 9% Increase in turnover/cash flow

Other responses mention affects from demand, cash flows reducing, event cancellations impacting, regional movement restrictions and risk management complications.

Business Responses

Businesses in Chittering responded to the impacts of COVID-19 in different ways;

- 39% Changed their method of delivery (e.g. to online)
- 36% Changed the quantity of their orders
- 17% Deferred loan payments
- 15% Deferred or cancelled investment plans
- 14% Introduced new products
- 12% Changed payment terms with suppliers
- 11% Changed payment terms with customers
- 5% Renegotiated property rent/lease arrangements
- 5% Brought forward investment plans

Other responses made mention of making changes to policy and procedures, collaboration with other businesses and using the time to renovate and upgrade.

ABS and CCIWA Data

In addition to this data the ABS surveyed 3000 business owners across Australia to find out which sectors had been most influenced by COVID-19 restrictions. The Chamber of Commerce and Industry WA also surveyed over 800 businesses in WA to identify the impacts of COVID-19.

Some sections were affected more than others, *see above table*.

The biggest affected sectors of the economy are Accommodation and Food Services, Information Media and Telecommunications, Arts and Recreation Services and Retail Trade.

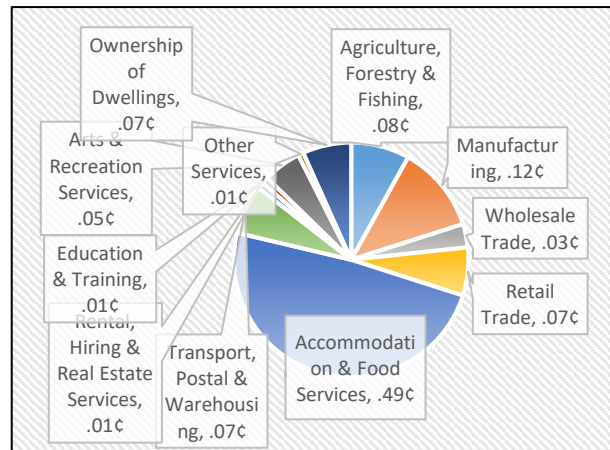
These 4 sectors make up 10% of Chittering's economy.

93% of tourism spending is in these four sectors. Tourism had come to a temporary halt with movement restrictions drastically reducing tourism visitors both domestically and internationally through the period when the surveys were collected. Some businesses in Chittering had been forced to close their doors.

Where is the Tourism Sector?

Tourism is an amalgam of activities across various industry sectors such as retail, accommodation, cafes and restaurants, cultural and recreational services.

- The above data shows how, on average, a dollar spent by a visitor to Chittering benefits local industries.
- It is estimated that tourism contributes \$12,021,000 to Chittering's economy, and has been recognised by Wheatbelt Development Commission as a key industry for growth in the region.
- With \$600million+ of tourism developments in advanced stages of planning, this is a significantly promising sector for increasing Chittering's rate income in the medium term.



REMPAN: Tourism Contribution to Industries per Dollar Spent

Sources: ABS: [Business Impacts of COVID-19, Chittering LGA Region Summary](#), REMPLAN [Output in Chittering](#) and [Visitor Expenditure Per Dollar](#)

Objectives from Think Tank Input

From the above data Chittering's Economic Recovery Committee explored several discussion points, including identifying the key issues from the data, the vision for recovery and what support the Shire could consider to assist economic recovery.

The following objectives have been interpreted from the discussions with Think Tank members:

OBJECTIVES	STRATEGY
1. Encourage Local Business Spend	<p>Ensuring small business support: Investigation of an incentive scheme to attract spend on local businesses.</p> <p>Continued encouragement of local residents to support local businesses after the pandemic finishes to retain money in the local economy</p>
2. Support for Businesses	<p>Connect businesses with correct, up-to-date information and entities that will assist them to recover</p>
3. Visitor Attraction	<p>Develop itineraries to attract people from the City – day-trippers, for example. Experiences should be aware of seasonality, repeatable, and mindful of the needs and wants of the market segment they are looking to attract.</p> <p>Make the most of social media targeting to attract particular demographics.</p> <p>Collaboration between businesses is to be encouraged, and may help when developing itineraries</p>
4. Develop a 'Night-time Economy' in Chittering	<p>Consider the development of a 'night time economy' in planning when rebuilding, e.g. caravan park / restaurant / astro-tourism</p>

Targeted Actions

A list of actions has been compiled that addresses each of the objectives identified by the Economic Recovery Committee. Some of these actions are recommended for consideration in the 2020/2021 financial budget, whilst others are longer term goals to be explored further and should be considered for inclusion in upcoming Economic Development Strategy and Corporate Business Plan reviews.

Where there is a requirement for consideration in the upcoming budget there may be a higher inclusion of detail so that Council has a degree of understanding of these actions when making decisions.

It should be noted that these are suggestions only and Council will make decisions on inclusions in the budget according to a number of factors.

Economic Recovery Action Plan

Where the item states that the timeline is “Short Term” and there is a budget cost associated with this, it is recommended for consideration in the 2020/21 Shire of Chittering Budget.

1. Encouraging Local Business Spend

Action Item	Details	Who	Timeline	Cost
Incentive Scheme	<p>Develop an incentive scheme to encourage spend on local business, in particular to those industries experiencing economic hardship.</p> <p>This may include prizes of inclusive weekends in Chittering with vouchers for accommodation, retail and food/wine; other options include prizes that provide for access to trades businesses within the Shire, etc</p> <p>Investigate using in competitions for online promotion and inclusion in local City rates payment incentive schemes.</p>	Economic Development Coordinator (EDC)	Short Term	<p>\$500 per prize</p> <p>Social Media Promotion \$5200</p> <p>(1 per week = \$31,200,</p> <p>1 per fortnight = \$18,200)</p>
Keep Locals Spending Locally	<p>Promotion of the local online Business Directory. This could be through paid promotion on social media.</p> <p>Investigate upgrades to the directory to increase its functionality and usefulness.</p>	EDC	<p>Short Term</p> <p>Long Term</p>	<p>\$2600 (\$50 per week)</p>

2. Support for Business

Action Item	Details	Who	Timeline	Cost
Business List Database: Regular Communication	<p>Keeping businesses informed of economic changes, entitlements and opportunities, especially small businesses</p> <p>The business list needs updating – removing old, defunct listings and combined with a push for new businesses to join the Business Directory could provide a chance to reach more businesses with helpful information, where required.</p>	EDC	Short Term	n/a
Financial Support	Consider budgeting a reserve amount in the 2020/21 Budget to be used for specific, targeted stimulus activities across the Shire, should the economic situation worsen and/or new industries suffer adverse economic impact, e.g., construction.	EDC	Short Term	\$30,000

3. Visitor Attraction

Action Item	Details	Who	Timeline	Cost
Itinerary Creation	<p>Develop a list of experiences across the Shire from local providers arranged into itineraries targeting different market segments.</p> <p>Development with operators to build a diverse range of high quality experiences will be required, though there is an opportunity to create an itinerary of available products now to get started as soon as possible</p> <p>Booking functionality would be required on the tourism website.</p> <p>Marketing for this product would be required also.</p> <p>To alleviate time and resourcing restraints, experienced consultants (like Distinctly Tourism Management) could be used to develop polished, marketable experiences</p>	EDC	Short Term	<p>Electronic booking platform software for 1 year \$1200</p> <p>Marketing \$5200</p> <p>\$6400 Total cost</p> <p>Consultant costs \$10,000 - \$20,000</p>

<p>Tourism Council Destination BOOST Program</p>	<p>Tourism Council WA runs program called “Destination BOOST”.</p> <p>It is a combination of group training and intensive business mentoring to help local tourism businesses from industry leaders.</p> <p>Their program includes;</p> <ul style="list-style-type: none"> - Destination Profile and Metrics for Tourism Product Development for Local Government - Business Diagnostics for Individual Businesses - Masterclass Group Training – 2 days of group training for up to 20 local tourism businesses - Intensive Business Mentoring for up to 5 businesses - Trade Introductions and Exhibitions (introducing their developed products to market) <p>This would assist struggling tourism business recover by helping them assess and develop their offerings – (accommodation, retailers, visitor centre, tours, venues, events, primary producers, restaurants and more) and make their offerings more refined and visible to the tourism market.</p> <p>It will also help to develop emerging attractions, like farm-gate businesses become more tourist savvy and tourist-ready – increasing our regional product and attractiveness to tourists. The mentoring would be extra helpful to some.</p>	<p>EDC / TCW A</p>	<p>Short Term</p>	<p>\$27,500 + GST, and for extra mentoring places (after 5) it costs \$3,000.</p>
<p>Increase Attractions</p>	<p>Further investigation of developing the Bindoon Mountain Bike and Adventure Park, Bindoon Caravan Park and Lifestyle Village projects. Each have feasibility studies that support significant positive returns to the local economy.</p> <p>Investigation is required into community sentiment and the most appropriate model of operation and funding a project in a business plan</p>	<p>EDC</p>	<p>Medium Term</p>	<p>Using concepts from the Feasibility Study</p> <p>MTB&AP Stage 1 Costs \$2,357,600</p> <p>Stage 2 Costs \$547,000</p> <p>Stage 3 Costs</p>

	(options to lease land and buildings should be explored too).			\$183,500
	Additionally, Marketing these and other investment opportunities in the area to prospective tourism developers could be considered.			Total Project \$3,088,100
				Bindoon Caravan Park \$1,194,750

4. Develop a 'Night-time Economy' in Chittering

Action Item	Details	Who	Timeline	Cost
Develop and Attract Further Options for Accommodation	<p>More accommodation near tourism hotspots results in a greater capacity to sustainably maintain a night time economy.</p> <p>Likewise more accommodation options (like the aforementioned Caravan Park) would assist in providing more patrons to our local business hubs.</p> <p>Investigate camping and transit areas near other business activity areas to increase economic activity.</p> <p>Assist prospective developers in Shire and State planning and approvals process.</p>	<p>EDC</p> <p>Development Services</p>	Short - Medium Term	n/a
Investigate Attracting Night Time Events	<p>Consider attracting event organisers to hold night time events in Chittering.</p> <p>In particular, Astrotourism events partnering with local restaurants or other businesses offering specials. Approaching astrotourism businesses to run events in conjunction with the businesses would improve the sustainability of the night-time economy.</p> <p>Night events at the Mountain Bike Park and Adventure Park would draw considerable crowds on a regular basis also.</p>	EDC	Short – Medium Term	<p>(MTB as above)</p> <p>Astrotourism WA charges \$2,200 inc. GST for each Stargazing Event</p>